

CENTRAL YAVAPAI FIRE DISTRICT
FIRE BOARD
REGULAR SESSION

February 17, 2015

MINUTES

1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS

Chairman Page called the Fire Board meeting to order on Tuesday, February 17, 2015 at 2:00 p.m. at Prescott Valley Public Library Auditorium, 7401 E. Civic Circle, Prescott Valley, Arizona.

Members Present: Board Chairman Bob Page, Board Clerk Tom Steele, Board Members, ViciLee Jacobs, and Darlene Packard

Members Absent: Board Chairman Steve Rutherford

Staff: Fire Chief Scott Freitag, Assistant Chief of Administration Dave Tharp, Administrative/IT Assistant Laura Mowrer

Others in Attendance: Attorney Nick Cornelius

Due to Board Chairman Rutherford's absence, Board Clerk Page took on the position of Chairman and Board Member Steele stepped into the Clerk position for this meeting.

2. PLEDGE OF ALLEGIANCE

Chairman Page led the recitation of the Pledge of Allegiance.

3. PRESENTATION

A. Recognition Awards – Sydney Swain and Harrison Furlong

Chief Freitag, Fire Marshal Chase, and Captain Olson honored Sydney Swain and Harrison Furlong for assisting when they saw a vehicle on fire. They had been driving past a home on Paseo Escondido when they noticed smoke coming from a vehicle. They notified the residents so they could evacuate the home, and they also called 911. These 16 year old teenagers could have just driven by and done nothing. Thank you for your willingness to take action in this emergency and assisting in saving a home.

B. Prescott Valley Town Council Report

Prescott Valley Town Council Member Whiting provided the Fire Board with updated building permit information.

C. Presentation of the Monthly Financial Reports

Chief Tharp reviewed the financial reporting requirements mandated by House Bill 2572. This new law requires the Board Members to review and approve the financial records monthly. He explained these new procedures allow for more oversight of the financial standing of the organization. Chief Tharp also provided an overview of the required steps for preparing and publishing the budget along with annual auditing requirements. He explained the documents provided in the monthly financials such as the check registers, income statement, balance sheet, graphs for visualization, cash flow statement, tax collection, and fire district assistance tax (FDAT) collection reports. The general ledger, Yavapai County Treasurer's bank statement, and a reconciliation statement are also included.

Chief Tharp reminded the Board that if they have questions or discover anything that does not appear accurate, to bring those items to his attention. If it appears that the District is going into the red, there are mandated requirements. We must notify our attorney and the Yavapai County Board of Supervisors. In addition, neighboring organizations must be contacted to determine if there is a possibility of merging. Notifications must be made within 10 days of realization of financial difficulty. Central Yavapai Fire District is currently financially solid. Chief Tharp offered training to Board Members if they required.

4. CALL TO THE PUBLIC

Those wishing to address the Central Yavapai Fire District Board need not request permission in advance. The Fire District Board is not permitted to discuss or take action on any item raised in the Call to the Public due to restrictions of the Open Meeting Law; however, individual Board members may be permitted to respond to criticism directed to them. Otherwise, the Board may direct the staff to review the matter or the matter be placed on a future agenda.

No comments.

5. CONSENT AGENDA

All matters listed under Consent Agenda are considered to be routine by the Central Yavapai Fire District Board and will be enacted by one motion. There will be no separate discussion on these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately for discussion and possible action.

- A. Approval January 20, 2015 Regular Session Minutes
- B. Approval January 20, 2015 Executive Session Minutes
- C. Approve General Fund Financial Statements
- D. Approve Bond Debt Service Financial Statements

Board Clerk Steele made a motion to approve the consent agenda. Board Member Jacobs seconded the motion. MOTION CARRIED

AYES: Jacobs, Packard, Page, Steele

NAYS: None

6. REPORTS AND CORRESPONDENCE

A. Letters from the Public

Chairman Page reviewed the numerous thank you notes that were received.

B. Monthly Division Reports-Report from the Fire Chief and staff in regard to current activities of the Fire District and the status and progress relating thereto

Chief Freitag reminded the Board that the District is turning 50 in March. There are open houses scheduled from 6 p.m. to 8 p.m. at the outlying stations on March 12 and for Prescott Valley stations on March 13. The main event is scheduled for March 14 at the Central Yavapai Regional Training Academy at 9601 E. Valley Road, Prescott Valley from 10:00 a.m. to 2:00 p.m.; everyone is invited. Station addresses are listed on the District's website www.centrialyavapaifire.org.

Chief Freitag explained that this is the first year that fire districts' tax revenue is regulated under Prop 117 which mandates that the property tax is assessed under the limited value instead of the secondary assessed value or full market value as in the past. The effect of this change is that under the secondary assessment we would have realized an 18% increase in net assessed value. This would allow the District to lower the overall tax rate to bring in the same amount of dollars. With the new mandate, the limited assessment is an increase of 2.53%. He explained that we had conservatively projected 5% increase for this year which includes 3% increase in value of existing and 2% new growth. Instead we realized 2.53% in total valuation.

Chief Freitag thanked Chief Bliss for his analytical expertise. We have learned that even though there is a 5% statutory cap, we will never reach the 5% cap. In order to reach the 5% cap, the value of every parcel would have to increase a minimum of 5%.

In the past, under the secondary value, we would receive the actual rate. Therefore, we never analyzed what new growth meant. When K-Mart was built, that had a significant impact on the District's net assessed value, because that dollar amount, percentage wise, was significant to the dollar amount of the District's assessed value at that time period. Today, the net assessed value is so large, that to realize a 1% increase on new growth, we would have to have 5 Walmarts built at one time or 40 Culver's Restaurants built, or over 200 homes built. In addition, commercial property values are still on their rollback. Last year the ratio was .19; this year it is .185. Next year it is reduced to .18 and stabilizes. Therefore, if the property value remains the same, the District is losing money.

Chief Freitag stated that in the work/study session scheduled, we will get more specific on these numbers and what it actually means. We have also taken about a 6-7% hit on PSPRS which totals about \$380,000. At this point, the legislature is not real interested in PSPRS reform. Without reform, our costs are going to continue to escalate. While we have decreased the amount of revenue we can bring in, we have significantly increased costs in several areas that we have no control over; PSPRS being the biggest one. We are most likely looking at another 5-7% increase in PSPRS for Fiscal Year 2016-2017 which is well over \$300,000. We have to get creative when developing the budget. Discussions have started with labor so we can put our collective heads together. The business model needs to change based on Prop 117 and PSPRS; not to mention a 7% increase in healthcare costs.

Chief Freitag stated that the District's approach is two-tiered. 1. We deal with the new reality and adjust the business plan. 2. We look for opportunities for fire districts to earn additional revenue. Currently, fire districts are the only special taxing district in the state that is tied only to the limited value that is capped at 5%. Every other special taxing district has some other options available to them.

Chief Freitag mentioned that he testified last week at the State Capitol regarding HB2351 and will be testifying again this Thursday. There is a tentative meeting scheduled following with PSPRS stakeholders.

Chief Polacek stated that 4 Central and 3 Chino Valley members successfully completed the written captain promotional test and will be moving to the next evaluation process.

Chief Bliss provided the 2014 Annual Alarm Summary to the Board. He explained that the call volume increased slightly and responded to over 7,500 calls. Fires are a small percentage, medical calls are a larger portion, and then other calls include hazardous material, fire alarms, smoke investigations, snake calls, etc. Personnel respond to approximately 20 calls per day with the majority of those calls within Prescott Valley. Chief Bliss explained how the reliability of the engines is dictated by the number of calls they receive at the same time in

addition to if they are backing up another area. The reliability in the Prescott Valley area is reduced when engines are responding to calls outside of their station area.

Chief Bliss explained the response time analysis which shows how many calls we are responding to within the set response standard (NFPA). The suburban area goal is to arrive within 9.5 minutes 90% of the time. The current average response time is 5 minutes 53 seconds. The rural goal is 14 minutes; and we are average 8 minutes and 34 seconds. We did fall short in January and March. Chief Bliss mentioned that these response numbers are high; however, it would require additional engines and personnel to reduce them. We are attempting to address longer response times by having engines move closer when the initial engine is on a call. Some of the longer response times are in Stoneridge and may also be caused by multiple calls in one station area. Additionally, having a second engine at a station may also reduce response time.

Chief Bliss stated that automatic vehicle locators are on each engine; however, the mobile data terminals (MDT) are not in all engines yet. MDTs will assist us in better tracking of our response times. There are also limitations in the dispatch system to dispatch closest unit. Chief Polacek mentioned that the software dispatches the closest station. If the engine is not in the station, the dispatchers have to manually determine which engine is closest. They are working on resolving these issues.

Chief Freitag mentioned that Prop 117 does not support growth.

7. NEW BUSINESS

- A. Approve Policy Manual Amendments: 300 Job Classifications; J210 Reserve Firefighter Preliminary / Testing / Probationary Requirements; J211 Reserve Firefighter Requirements / Responsibilities; 212 Reserve Auxiliary Staffing; 304 Job Description Reserve Firefighter; J192 Social Media; 304 Job Description Training Chief; 304 Job Description (New) Human Resource Manager; 304 Job Description (New) Assistant Fire Marshal

Chief Freitag briefed the Board on the policy amendments. He explained that job descriptions are contained within the policy manual; therefore, all modifications require Board approval. We are suggesting that current job descriptions be moved to the Standard Operating Guidelines (SOG). Policy 300 Job Classifications has been brought to the Board to modify this requirement. All new job descriptions and associated wage scales would still be brought before the Board; however, modifications to existing job descriptions would go through the Standard Operating Guidelines (SOG) Committee.

Chief Freitag stated that new job descriptions are being recommended for the Assistant Fire Marshall and Human Resource Manager positions. The Assistant Fire Marshal position was established last year with the intergovernmental agreement between Central and Chino for fire prevention services. There was an administrative directive written; however, the job description was never written.

Board Member Jacobs asked for clarification on why military leave was being removed. Chief Freitag commented that the military leave policy is not being removed; it is addressed under another policy. Therefore, it is not necessary to also be included in the job description. He also mentioned that the policy meets Federal requirements.

Chief Tharp explained that the Human Resource Manager position is a newly created position; under the JMA, that position has oversight to both organizations. We created the job description from the existing Human Resource Specialist Job Description and it was assigned salary range of 37. That range is already in existence on the wage scale; therefore, there is no reason to approve another range. It's a matter of approval of the new job description with the associated range.

Chief Freitag mentioned that a market study was conducted to review the pay range for the Assistant Fire Marshal position as there was no pay range.

Board Member Jacobs asked when the Assistant Fire Marshal position would be filled. Chief Freitag explained that Assistant Fire Marshal Smith has been in this position for 8 months. Continued growth within our area was taken into consideration writing this job description.

Clerk Steele asked if this position could be filled by a firefighter. Chief Freitag stated the description is written so that internal or external candidates may apply.

Board Member Packard made a motion to approve Policy Manual amendments: 300 Job Classifications; J210; J211; 212; 304; J192; 304 Job Description Training Chief; 304 Job Description New Human Resource Manager; 304 Job Description New Assistant Fire Marshal. Board Member Jacobs seconded the motion. MOTION CARRIED

AYES: Jacobs, Packard, Page, Steele
NAYS: None

B. Discussion and Possible Action Regarding March Work / Study Session for Succession Planning and Budget Discussions

Chief Freitag stated that he and Chairman Rutherford discussed having a special work/study session to discuss the succession planning and budget. The tentative date is April 1 at the Central Yavapai Regional Training Academy (CYRTA).

C. Approve Joint Hazardous Material Vehicle Proposal

Chief Bliss stated that the hazardous materials vehicle bid was received from Houston-Galveston Area Council (H-GAC) for \$504,869.59. There is a credit for prepaying for the chassis of \$9,943. This amount would be shared with the City of Prescott.

Chief Polacek stated that an updated Joint HazMat Program IGA is being reviewed by Prescott's legal department. We have budgeted \$300,000 for this entire project, including vehicle and equipment. Air monitoring meters are being reviewed for possible purchase as the current meters are outdated. There is a priority list, and we are working with Yavapai County Emergency Services to try to obtain grants. The current hazardous materials vehicle is fully equipped; however, the meters are outdated.

Clerk Steele made a motion to approve bid for \$252,434.78 which is half of the proposed bid, estimated cost. Board Member Jacobs seconded the motion.
MOTION CARRIED

AYES: Jacobs, Packard, Page, Steele

NAYS: None

D. Wildland Urban Interface Mitigation Concerns – Granite Oaks Area - Discussion Only

Chief Freitag stated that County Supervisor Craig Brown had voiced some concerns regarding mitigation of brush in the Granite Oaks area. He is under the impression that CYFD is not interested. This is a clarification: State Land and State Forestry are working in the area around the Granite Oaks area. Mr. Shumate does not set the priorities. State Forestry and State Land sets the priorities. It appears that some would like CYFD to staff a mitigation crew. However, this would be an enormous project with associated costs for which we do not have the funds. Because this area is state land, it is outside of the District boundaries and responsibilities. Property owners within Granite Oaks are responsible for maintaining their property. Fire Prevention can provide assessments to the homeowners. We have received grants in the past that allowed for some reimbursement. We are able to provide a "chipper day" for a neighborhood utilizing these grant funds. However, the property owners must provide the cleanup and bring the debris to the chipper location. The District does not have means to dispose of the chips; this is the homeowners' responsibility.

Chief Freitag stated that we have submitted a grant application in coordination with Emergency Management and expect to know in July if we will be receiving additional funds.

There was some confusion about Central Yavapai having already serviced the Granite Oaks area. Fire Marshal Chase clarified that there was some training conducted in Granite Oaks; however, the subdivision as a whole has not been addressed. He stated that there are limited grant funds remaining in which the District may be able to provide a "chipper day" for a subdivision. The chipper will be brought in to the neighborhood; however, the community needs to determine how the chips will be disposed of. The chips could be placed in a dumpster or could be used as mulch; however, the District does not have means to dispose of the chips.

Fire Board did not adjourn into Executive Session; continued with Item 9.

8. VOTE TO GO INTO EXECUTIVE SESSION

- A. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) and Instruction to District Legal Counsel Pursuant to A.R.S. §38-431.03(A)(4) Re: Training Center Drainage
- B. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) and Instruction to District Legal Counsel Pursuant to A.R.S. §38-431.03(A)(4) Re: Yarnell Hill Fire Incident and Legal Claims
- C. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) Regarding Public Safety Personnel Retirement System (PSPRS) Membership Requirements - Legislative Action
- D. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) Regarding Prescott National Forest Contract

No vote to go into Executive Session.

Attorney Cornelius mentioned that all items may not need to be addressed in executive session.

9. OLD BUSINESS

- A. Discussion and Possible Action Related to Training Center Drainage Issues

Attorney Cornelius indicated that the Board was presented with the Erie and Associates agreement related to reviewing the documents for the Training Center

drainage issue. The Board previously approved expending up to \$5,000 for Mr. Erie's services. Board signature is required.

B. Discussion and Possible Action Related to the Yarnell Hill Fire Incident and Legal Claims

Attorney Cornelius advised that the Motion to Dismiss is on hold pending the outcome of mediation scheduled for the end of March. Negotiations continue related to the possible dismissal of the claim against CYFD and Todd Abel.

C. Discussion and Possible Action Related to Public Safety Personnel Retirement System (PSPRS) Membership Requirements - Legislative Action

Chief Freitag stated that he testified at a committee hearing last week and it did pass out of committee with a stipulation by a number of members that if PSPRS and parties involved did not come to a reasonable resolution between them that they would not support the bill when it came to the floor. There is another committee meeting this Thursday (February 19), and Chief Freitag believes they have a solid grasp of the issue. We are seeking a stakeholders' meeting with PSPRS after that meeting as they have not taken an official position. They are still discussing this among their board. One resolution could be an agreement under PSPRS related to a defined contribution program under the moniker of PSPRS which would negate the need for legislative change. We will have to see how the negotiations move forward.

Per Chief Freitag, the committee mentioned that fire districts already have the opportunity to provide a 401A for anyone they hire from outside the state. All the district has to do is pay the employer contribution into PSPRS and then add 15% or whatever the 401A would be on top of that. Chief Freitag stated this penalizes districts for hiring for the top position in their organization. Given the fiscal position of many districts throughout the state, it adds an additional burden. Chief explained when he testified, he applied specific numbers such as the current contribution rate of 36% for PSPRS add 15% for 401A on top, that equals 51% of the chief's salary that goes just to pension in addition to the regular salary. Chief Freitag suggested an option of allowing each district to make the decision on how to best utilize the 36% that is required to go into PSPRS. If the district believes they need it to assist in funding PSPRS, they could do that. If they felt they needed it to run the daily operations of the district and that was an undue burden, could that not be a decision of the Board. The committee did not respond to that suggestion. If Thursday's committee approves, it will go to the Rules Committee, and they will decide if they will hear it or if they will hold it up. PSPRS is the only organization that has voiced any concerns. We are trying to address those concerns and work in partnership to develop a reasonable resolution.

Chief Freitag explained that this issue applies to fire districts and fire departments (cities and municipalities) when hiring a chief. If a fire chief is hired that retired from PSPRS, the district has to pay PSPRS 28% of their salary. PSPRS is set up for a 25-year retirement with no vesting. With the fire chief position being highly political, the average life span is 5-7 years. Accumulating 25 years as a fire chief is very improbable considering the average age of someone when reaching the fire chief level. Therefore, when someone is hired as fire chief from outside of Arizona, the employee and employer contribution are paid even though it does not provide the employee with retirement benefits. The main issue that we are addressing is the hiring of a fire chief from outside of Arizona that was not already a member of the PSPRS system.

Chief Freitag stated that the concern voiced by some of the law makers was the ill health of the PSPRS system. When we spoke with PSPRS initially, about three months ago, they indicated that the number of persons that we were talking about was so minute that it would not cause any change in the system to be able to provide this other alternative. We were stressing to the legislatures that by placing districts in this position, they were limiting the pool that they could attract for the top jobs. Over the last couple of years, fire chief job openings have drawn 25-45 applicants and of those, only 2-5 candidates have been from within the state. There is a significant limit on the hiring pool.

D. Discussion and Possible Action Related to Prescott National Forest Contract

Attorney Cornelius stated that suggested changes to the contract were presented to the local Forest Service representative. There were reporting requirements, financial requirements, and noncash contributions which do not apply. We were advised that many of the changes that we requested cannot be modified locally as they use a fillable form. Our proposed changes have to be submitted to a higher level and would take several months for review. Attorney Cornelius stated that he was not comfortable with the Board approving the current agreement. He recommended re-approaching the Forest Service to determine if there is a better way to handle this situation.

Chief Freitag stated that the current draft opens the District to financial liability that is not part of the program as well as other potential liabilities should something happen. For example, if Prescott National Forest personnel lights a fire in the wrong place, the agreement says we cannot sue them; however, the District may be held responsible. He stated that there are liabilities that are out of our control.

Attorney Cornelius mentioned that the liabilities cannot be quantified. There elements that address reporting requirements and management of programs which are not contemplated by the District in connection with this work. The

agreement is making us a manager of this program in conjunction with the federal government.

Chief Freitag confirmed that this is an extremely important program, because it allows for members to receive training that they would not otherwise receive. We need to make sure the agreement is in line with the scope of the program. He asked for the Board's approval for Attorney Cornelius to approach the State to determine if another agreement may be written to allow us to continue the relationship that we have had.

The Board recommended counsel move forward with trying to create a workable IGA.

10. ADJOURNMENT

Clerk Steele made a motion to adjourn. Board Member Jacobs seconded the motion. MOTION CARRIED

AYES: Jacobs, Packard, Page, Steele

NAYS: None

Meeting adjourned at 4:29 p.m.

3/17/2015

Date



~~Bob Page, Board Clerk~~

Tom Steele